

CHART OF THE MONTH

OCTOBER 2017

LONGEST BULL MARKETS SINCE WORLD WAR II



As we reported in our [August Chart of the Month](#), the current economic expansion, now 100 months old, is the third longest since the Civil War. This expansion will become the second longest if it endures through next spring and will set an all-time record should it persist until the summer of 2019.

By the same token, the current bull market is the second longest and strongest since World War II. As shown in the accompanying graph and table, the bull market is now 103 months old and is within 12 months of becoming the longest in the postwar era. At 278%, the cumulative gain recently passed the June 1949 to August 1956 advance (267%), yet it still trails the October 1990 to March 2000 bull market (417%) by a substantial margin, perhaps giving hope that the stock market can continue to move higher in terms of both time and magnitude. Including dividends, the S&P 500 has increased more than 300% (a four-fold move) since the low in March 2009.

The S&P 500 has gained for a record 11 months in a row, eight straight quarters, and is on pace for its ninth-consecutive year in the green, matching the 1991 to 1999 record. Furthermore, the market is in the midst of the [fourth-longest streak without a 5% correction](#) and is within one month of becoming the longest ever without even a 3% pullback. Based on several measures, this has been one of the most-resilient rallies of all time.

While stock prices will undoubtedly experience a downturn at some point, it is important to recognize that bull markets don't die of old age. Instead, they terminate due to the onset of a recession, leading to declines in corporate profits and valuations. Although the economy is always subject to outside influences, we do not envision the types of negative business conditions (such as an overly aggressive Fed) that typically coincide with market peaks in the foreseeable future.

103 MONTHS LONG AND GOING STRONG

Bull Market	Months	Gain
Jun '49 – Aug '56	87	267.1%
Oct '74 – Nov '80	74	125.6%
Aug '82 – Aug '87	61	228.8%
Oct '90 – March '00	115	417.0%
Oct '02 – Oct '07	61	101.5%
Mar '09 – Current	103	277.7%

Source: LPL Research, Factset

